



ADSO ALLIANCE OF DEFENCE SERVICE ORGANISATIONS

8 May 2015

MEDIA STATEMENT

WELCOME NEWS: GOVERNMENT ABANDONS UNFAIR PENSION INDEXATION PROPOSAL

The Alliance of Defence Service Organisations (ADSO) welcomes the Government's announcement that the present pension indexation method will not be changed. The proposed changes announced in last year's 2014-15 Budget were totally at odds with the Government's previously strong position that it was unfair to index pensions using the Consumer Price Index (CPI) only, instead of the better of the CPI, or the Pensioner and Beneficiary Living Cost Index (PBLCI) benchmarked to the Male Total Average Weekly Earnings (MTAWE). It reinforced this position by moving to change some of the military superannuation pensions from CPI only to the better of CPI or PBLCI and benchmarked to movements in the MTAWE.

This decision will be greeted with relief by our disabled veterans receiving the Veterans Disability Pension, and our War Widows, all of whom would have been hit particularly hard but for this change of heart.

The only remaining Commonwealth Payments now on "unfair" indexation are military superannuation pensions (MSBS and DFRDB under 55 year olds) and the closed public servant superannuation schemes all of which have funding cover from the Future Fund.

In welcoming this decision the ADSO Alliance national spokesman David Jamison expressed the hope that the Government would review the level of the Special Rate Disability Payment made to our most disabled veterans as a compensation measure, to ensure it at least matched the minimum wage.

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The Defence Force Welfare Association (DFWA), Naval Association of Australia (NAA), RAAF Association (RAAFA), Royal Australian Regiment Corporation (RARC), Australian Special Air Service Association (ASASA), Australian Peacekeepers and Peacemakers Veterans Association (APPVA), Vietnam Veterans Association of Australia (VVAA), Australian Federation of Totally and Permanently Incapacitated Ex-Service Men and Women, Partners of Veterans Association of Australia (PVA), National Malay & Borneo Veterans' Association of Australia, and the Royal Australian Armoured Corps Corporation (RAAC).